

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

PERIODIC REPORTING
(PROPOSAL FOUR)

Docket No. RM2015-12

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO QUESTIONS 1-4 OF CHAIRMAN'S INFORMATION REQUEST NO. 1**
(August 10, 2015)

The United States Postal Service hereby provides its responses to Questions 1-4 of Chairman's Information Request No. 1, issued August 5, 2015. The questions are stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

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August 10, 2015

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**

1. Please confirm that the source of the expanded country data is the expanded SIRVO data. If not confirmed, please identify the source of the expanded country data.

RESPONSE:

Confirmed.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**

2. Please explain why this expanded country data was not used previously and why the Postal Service is bringing this Petition at this time. If certain underlying data elements were unavailable, please identify what data elements became available, when these data elements became available, and why these data elements were unavailable previously.

RESPONSE:

The expanded country data became available to the ICRA in FY 2012, but this Petition is being filed at this time because there were delays with implementing the changes into the ICRA model. Given the level of resources and other priorities, this is the first opportunity to take full advantage of the new processing stream to generate the data for the ICRA. Previously, the programs used to extract data for the ICRA model were set up to provide data for many of the smaller countries into geographic-based aggregates, and the ICRA model needed to be restructured to accommodate the new SIRVO data.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**

3. Please explain why this expanded country data is an improvement over the international accounting data. Specifically, please explain why the expanded country data provides more accurate volume data than the international accounting data.

RESPONSE:

As the Postal Service explained in the proposal, the small differences between using the expanded country data are the result of “the new weighting scheme, primarily as it applies to settlement rates by SIRVO aggregate group and individual rate groups. However, overall costs remain the same (to within one ten-thousandth of 1 percent) due to the ICRA benchmarking process.” As such, the purpose of the proposal is not to utilize data that are necessarily more accurate, but to take advantage of data that are more readily available to the ICRA during SIRVO processing, thereby avoiding the costs of generating and processing accounting datasets for the ICRA with little material difference in results.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**

4. Please state whether the Postal Service intends to use the expanded country data in lieu of international accounting data to settle terminal dues payments with individual countries. Please explain why or why not.

RESPONSE:

This is not a proposal to change the accounting to support international settlements. As explained in Question 3, the purposes of the proposal are to take advantage of more readily available data without materially changing the results, and to streamline processing by eliminating 16 of the 20 files provided by the St. Louis International Accounting Branch.